

DEPARTMENT OF HEALTH SERVICES

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SACRAMENTO, CA 95814
(916) 445-1912



July 2, 1981

To: All County Welfare Directors

Letter No. 81-27

TRANSFER OF PROPERTY POLICY CHANGE BASED UPON PL 96-611

Background

You were advised in Letter No. 81-24 of the Supreme Court ruling in Beltran v. Myers, and of the recent passage of federal legislation (PL 96-611) regarding transfer of property restrictions for SSI/SSP and Medicaid eligibility determinations. As a result of PL 96-611, which specifies that no penalty shall be imposed when the property transferred was exempt property at the time of transfer and continues to be used in the manner which led to its exempt status, we are making one policy change to our current transfer of property procedures. This procedural change can be made within the framework of existing Medi-Cal regulations and should therefore immediately be applied to eligibility determinations.

Change

Effective immediately transfer of exempt property will no longer adversely affect Medi-Cal eligibility, providing the property continues to be used in the manner which caused its exempt status. Once the use of the property changes, the transfer shall be evaluated to determine if a period of ineligibility should result.

Example: Mrs. ABD-MN transfers ownership of her home to her adult children on July 3, 1981 and continues to use the property as a home. This transfer would not affect eligibility as she has not transferred beneficial interest in the property (CAC, Title 22, Section 50096). On November 5, 1981 Mrs. ABD-MN enters long-term care and is not expected to return to her former home. At this point, since the transferred property no longer serves in the manner which resulted in its exempt status (that is, she no longer receives the benefit of a home from the property) the transfer must be evaluated in terms of CAC, Title 22, Sections 50408 and 50409. If it is found that a period of ineligibility will result, that period is calculated in accordance with Section 50411.

Additional Operational/Procedural Changes

Individuals who transfer exempt property should be advised, that although such a transfer does not impact current eligibility, future eligibility will be jeopardized if the use of the property changes. Information regarding the transfer, e.g. value of property, amount of consideration, if any, should still be collected so the information is readily available for evaluation when a change in useage occurs.

The information in this letter will be incorporated into the Medi-Cal Eligibility Procedures Manual in the near future.

All County Welfare Directors

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If you have any questions regarding this policy change contact your Medi-Cal Program Consultant at (916) 445-1912.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaison
Medi-Cal Program Consultants

Expiration Date: December 31, 1981